

Section A

1. Answer any ten of the following in two or three sentences each :-

- (a) What is cost accounting?
- (b) What is cost unit? Give two examples.
- (c) What is direct material cost? Give two examples.
- (d) State the components of prime cost.
- (e) What is EOQ? How do you calculate it?
- (f) What is purchase requisition?
- (g) What is Bin Card?
- (h) State two essentials of a good wage plan.
- (i) What is time rate system of wage payment?
- (j) What are overheads? Give two examples.
- (k) What is machine hour rate?
- (l) What is idle time and overtime?

(10x2=20 marks)

Section B

Answer any three of the following

2. What are the advantages of cost accounting to management?

3. Calculate from the following information :

i) Maximum stock level.

ii) Minimum stock level.

Reorder period 4 to 6 days.

Minimum usage 100 Kgs per day

Maximum usage 200 Kgs per day

ROQ - 1,500 Kgs.

Section C

Question No. 13 compulsory. Answer any two of the remaining

4. X Ltd. provides you the following particulars.
Purchase of materials during August 2015 - Rs. 2,00,000
Opening stock (01-08-2015) - Rs. 20,000
Closing stock (31-08-2015) - Rs. 40,000
Find the material turnover ratio and express the same in days.
5. Find out the earnings of workers A and B who have produced 70 and 90 units respectively in a day of 8 hours under Taylor's differential piece rate method.
Standard production : 10 units per hour
Normal time rate - Rs. 80 per hour
Differential rates are
Below standard - 80% of basic piece rate.
At and above standard - 120% of basic piece rate.
6. From the following particulars of Udyog Ltd., prepare cost sheet showing cost per unit.
Direct material cost Rs. 5,00,000
Direct wages Rs. 3,00,000
Direct expenses Rs. 2,00,000
Factory overhead 50% of Direct wages.
Administration overhead 10% of works cost
Selling overhead Rs. 5 per unit.
Units produced and sold 10000 units @ Rs. 150 per unit.
7. Find out the labour hour rate from the following:
a) Total number of operators in the department - 100
b) Department works for 300 days in a year
c) 8 hours work in a day
d) Total departmental overhead Rs. 4,00,000
e) Idle time 40000 hours.

(3x5=15 Marks)

8. Write short notes on any three :
a) Essentials of a good cost accounting system.
b) Purchase procedure.
c) Requisites of a good wage plan.
d) Over absorption and under absorption of overhead.
9. Calculate the earnings of Mr. Vivek from the following under :
a) Time rate
b) Piece rate
c) Halsey plan and
d) Rowan plan
Working hours per week - 48 hours
Normal wage rate per hour - Rs. 50
Standard time per piece - 30 minutes
Actual output for the week - 112 units
10. Write Stores Ledger using LIFO method of pricing the issues:
2015
August 1 Opening Stock - 400 units @ Rs. 25 p.u.
3 Issued - 200 units
8 Purchased - 300 units @ Rs. 26 p.u.
10 Issued - 200 units
14 Issued - 100 units
17 Purchased - 200 units @ Rs. 27 p.u.
20 Issued - 300 units
21 Returned to vendors from goods purchased on 17th August 50 units.

- 27 Purchased 500 units @ Rs. 28 p.u.
 28 Issued - 300 units
 30 Purchased - 300 units @ Rs. 30 p.u.
 31 Issued - 300 units.

On stock verification on 31st August a shortage of 10 units were found.

11. X Ltd. has three production departments A, B and C and two service departments P and Q. Following particulars relate to August 2015:

Rent	Rs.	30,000
Electricity	Rs.	4,800
Power	Rs.	12,000
Canteen expenses	Rs.	60,000
Indirect wages	Rs.	12,000
Municipal taxes	Rs.	10,000
Depreciation on plant	Rs.	40,000
Other labour costs	Rs.	20,000

Further information :

Particulars	Total Rs.	Production Dept.			Service Dept.	
		A	B	C	P	Q
Floor area (sq.ft.)	10,000	2,000	2,500	3,000	2,000	500
Light points (Nos.)	480	80	120	160	80	40
Direct wages (Rs.)	8,000	2,400	1,600	2,400	1,200	400
HP of plants (HP)	300	120	60	100	20	-
Cost of plant (Thousand Rupees)	400	96	128	16	8	8

Calculate Departmental overhead.

12. The following information relates to the year ended 31-03-2015

Materials purchased	Rs.	48,000
Direct wages	Rs.	40,000
Stock (1-4-2014)		
Materials	Rs.	8,000
Finished goods (1600 units)	Rs.	6,400
Stock (31-3-2015)		
Materials	Rs.	8,800
Finished goods (3200 units)	Rs.	12,840
Works on cost	Rs.	16,800
Works in progress		
On 1-4-2014	Rs.	1,920
On 31-3-2015	Rs.	6,400
Administration overhead	Rs.	3,200
Sale of finished goods	Rs.	1,20,000

Advertisement, discount allowed and selling cost is Re. 1 per unit.
 During the year 25600 units were produced. Calculate cost of production and profit.

13. Case Study - Compulsory Question.

The stores ledger of a manufacturing company recorded for material item P-4 for June 2015 the following information.

Date	Qty. Units	Receipts		Balance		
		Rate p.u. Rs.	Value Rs.	Quantity Units	Rate p.u. Rs.	Value Rs.
June 2015						
1	-	-	-	100	2	200
10	200	2	400	300	2	600
15	300	4	1,200	300	2	600
				300	4	1,200

16	-	-	-	100	2	200
				<u>300</u>	4	1,200
20	-	-	-	<u>100</u>	4	400
25	400	5	2,000	100	4	400
				400	5	2,000
28	-	-	-	<u>200</u>	5	1,000
29	-	-	-	50	5	250

- 1) State the method of pricing that was employed in the ledger.
- 2) Complete the stores ledger as per the method followed.
- 3) When this method is most suitable?

Section C

Question No. 13 compulsory. Answer any two of the remaining

- a) Basic salary Rs. 6,000 per month.
- b) Dearness Allowance Rs. 2,000 per month (Rs. 14,000 entered into retirement benefits).
- c) She and her employer contribute 11.5% of salary to RPF.
- d) Interest credited to RPF in excess of exempted limit is Rs. 1,420
- e) Profession Tax paid by employer on her behalf Rs. 100 per month.

Compute her income from salary for the A. Y. 2015-16.

6. Smt. Praveena started construction of the house at Karwar on 1-04-2011. She took loan from Canara Bank on 1-07-2011 of Rs. 6,00,000 at the rate of 14% p.a. interest. The construction was completed on 31-3-2014. The house is let out on 1-04-2014 on a monthly rent of Rs. 7,000. She paid municipal taxes of Rs. 6,000 during the previous year 2014-15.

Compute the income from house property for the A. Y. 2015-16 assuming that she has not repaid principal amount so far.

7. Mr. Chandrashekar is carrying on agency business. During the previous year 2014-15, he received the following commissions :
 - i) 5% commission on total sales of Rs. 8,50,000 from Kellogg's Corn Flakes India Ltd.
 - ii) 4% commission on total sales of Rs. 3,50,000 from Britannia Industries Ltd.
 - iii) 6% commission on total sales of Rs. 12,00,000 from Pepsico India Pvt. Ltd.

The following expenses have been incurred by him :

	Rs.	Rs.
Rent of building	12,000	Donations
Wages to Labourers	8,000	Income tax
Sales Tax (VAT)	6,000	Printing and Stationery
		7,000

Compute his income from business for the A. Y. 2015-16.

8. Mr. Raju of Mysore furnishes the following particulars of his computed income pertaining to the P. Y. 2014-15 :
 - a) Salary received in England for services rendered in Poona Rs. 50,000.
 - b) Profit from business in Bengaluru but the business is controlled from Japan Rs. 1,00,000.
 - c) Dividend Received in New York from Indian Company Rs. 5,000.
 - d) Interest on bonds of Bank of England Rs. 20,000 received in London.
 - e) Income from profession in Japan received there Rs. 80,000. The profession being set up in India.
 - f) Income from agriculture in Nepal Rs. 25,000. (half of which is remitted to India).
 - g) Profit on sale of plant at New York Rs. 1,40,000 half of which is received in India.
 - h) Income accrued in India but received in Sri Lanka Rs. 30,000.

Compute his gross total income for the A. Y. 2015-16, if he is :

- i) Ordinary Resident.
- ii) Not Ordinary Resident.
- iii) Non-Resident.

9. Mr. Pramod of Ankola purchased a plot of land on 1-07-2010 for Rs. 5,00,000 and constructed a big house the construction of which was completed on 31-3-2012. Half of the house was let out at a monthly rent of Rs. 15,000 and 1/4th of the house is used for his own profession and retained the remaining portion for his own residence.

He furnishes the following particulars of his house property for the A. Y. 2015-16 :